

WWF-Hong Kong's view on
Producer Responsibility Scheme on Plastic Beverage Containers





A single solution is not adequate to solve the complicated plastic pollution problem. We need holistic and effective solutions to ensure no plastic is leaked into the natural environment.

The key to stopping the leakage of plastic pollution into our environment is developing a circular plastics economy. This closes the loop of plastic production and creates circular systems from beginning to end, focusing on reducing use, redesigning packaging, increasing reuse and recycling, and using sustainable alternative materials, where appropriate.

WWF-Hong Kong (WWF) proposes an extended producer responsibility (EPR) scheme for packaging to transition from a linear to a circular economy. In large part, the low recycling levels in Hong Kong are due to a lack of trust and facilities in the current recycling system, limited demand for recycled plastic, and the lack of funding to support the transition to effective recovery and recycling systems. WWF believes EPR schemes have a critical role in financing a circular plastics economy by holding manufacturers financially accountable for managing their plastic product and packaging end-of-life impacts, as well as incentivizing eco-minded design in the business sector.

To reach the goal of No Plastics in Nature by 2030, three key elements of a holistic EPR scheme should be adopted and implemented by policymakers:

1. To ensure the EPR scheme is transparent and trustworthy.

Based on WWF's engagement with Hong Kong's local community groups, we perceive the biggest hurdle for plastic recycling is the lack of trust in the recycling system in Hong Kong. In general, the Hong Kong public has a high awareness of plastic pollution and is willing to participate in different actions to solve the plastic pollution problem.¹

We propose a mandatory EPR scheme to steer the transition from a linear to a circular economy, with a clear and detailed set of material-specific, quantitative targets for reduction, reuse, recovery, and recycling. The scheme should be designed with clearly defined duties and responsibilities and complemented by a monitoring system supervised by the government. Our proposed EPR system requires the formation of a non-profit generating Producer Responsibility Organization (PRO) as the system operator, with a board composed of relevant stakeholders, such as green groups, businesses, and government. The PRO would manage the EPR fees, engage companies, and issue contracts with waste management operators and municipalities. The PRO must be transparent with registers and data management systems for obliged

¹ <https://www.wwf.org.hk/en/?22540/WWF>

companies and approved waste management operators (for example, collectors, sorters, recyclers).

EPR schemes should include instruments to combat corruption. Financing and financial flows must be transparent, and institutions that are involved should be disclosed. Greater transparency of information enables better monitoring, benchmarking, and comparison. Results of the monitoring should be made publicly available (e.g., in annual PRO reports). This information can, for example, include collection and recycling rates achieved by EPR schemes; fees charged to producers; costs incurred and resale revenue; detection of free riders (producers who do not pay but still benefit from an EPR scheme); identification of anticompetitive practices by producers, PROs, and waste management companies; and monitoring compliance with targets.

EPR schemes should set up control bodies to secure adequate coverage of all relevant operators. These control bodies should continuously regulate and impose penalties on operators who do not comply with the legislative provisions in force.

2. To ensure the EPR scheme is inclusive and comprehensive.

EPR schemes should clearly define all packaging materials and/or products within the system's scope in a way that makes it easy to identify eligible products. At the same time, they should avoid creating loopholes for alternatives that do not tangibly improve the original environmental problem or that create others. Importantly, an effective and comprehensive EPR scheme should include all packaging materials and should not focus only on one material.

EPR schemes should be effective and valid for all stakeholders according to clearly defined responsibilities, e.g., obligation to pay fees or ensure recyclability of packaging. The scheme must also take the export and import of relevant products, packaging, and waste into account and ensure that all companies are playing by the same rules.

EPR schemes need to be inclusive and enable the integration of all stakeholders. The PRO should implement accessible and fair complaint procedures so that both formal and informal workers can raise concerns and report abuse.

Any waste management interventions should include consultation with the informal waste management sector to ensure inclusive solutions and safeguard livelihoods and fundamental human rights (e.g., income security, safe working conditions, training and upskilling, precluding child labour) of waste workers.

3. To ensure the EPR scheme is flexible, with the goal to transform to a circular plastic economy.

In order to facilitate a swift transition from a linear to a circular plastic economy, the rebate price should start with the raw material cost of the packaging material to avoid a high recycling cost, which will lead to an expensive raw recycled material price. The effectiveness of the scheme should be reviewed yearly. If the recycling rate is low, the rebate value can be increased in the following year toward the optimal price for the best recycling result.

Neglecting the responsibility for packaging waste and simply trying to address the responsibility for waste management will not move the issue forward. EPR schemes cannot exist in isolation. They constitute a full spectrum of packaging waste management instruments that need to be combined with many other policy instruments. These critical policy tools complement each other, encouraging a change in all actions in the product/packaging value chain and eventually reducing plastic waste leakage to nature.

Consultation questions	WWF's view
<p>1. Do you support introducing a mandatory PRS to enhance the recycling of plastic beverage containers?</p>	<p>Strongly Support with the below conditions</p> <ol style="list-style-type: none"> 1. The government agrees on a transparent and efficient system led by a producer responsibility organization (PRO) as the system operator. 2. The government has a roadmap to include ALL types of packaging. 3. The government commits to a flexible rebate pricing system reviewed yearly by the PRO.
<p>2. Do you agree that the PPRS should cover beverage products within the volume range of 100mL-2L?</p>	<p>Strongly Disagree</p> <p>Importantly, an effective and comprehensive EPR scheme should include all sizes of packaging materials and should not focus only on one material.</p> <p>A roadmap is needed to include ALL types of packaging at the design stage of the EPS scheme.</p>
<p>3. Do you support the provision of rebate under the proposed PPRS?</p>	<p>Strongly Support with condition</p> <p>The rebate value must be flexible and reviewed at least annually and amended accordingly to match with the incentive (see position paper).</p>
<p>4(a). Do you consider a rebate at 10 cents per container an appropriate level?</p>	<p>Disagree</p>
<p>4(b). If not, what should be the minimum rebate level?</p>	<p>Under a flexible system, the rebate value should be reviewed at least yearly to match with the recycling incentive. It should start with the raw material cost of the packaging material.</p>
<p>5. Do you support that relevant retailers (in particular the larger retail stores) should be mandated to provide take-back and rebate redemption services?</p>	<p>Neutral</p> <p>The government should place reusable practice before recyclable practice.</p> <p>To encourage reusable practice, the government can provide incentives and can work with retailers collectively on a circular plastic economy roadmap to reduce packaging waste</p>

	from sources, with a target of eliminating packaging materials that cannot be recycled in the Hong Kong market.
6. What are your preferred types of locations listed below for the take-back and rebate redemption services? Please accord priority. (1 has the highest priority; 6 has the lowest priority. Please do not repeat.)	<p>1 Residential estates</p> <p>2 Public transport facilities</p> <p>3 Public facilities</p> <p>4 Roving collection service for remote residential areas</p>
7. Do you support that we should collect the recycling levy at supplier level (i.e. manufacturers and importers) to fund the operation of the PPRS?	<p>Strongly Support</p> <p>We need collective action to shift towards a circular economy. Financial resources collected under the EPR scheme should be used <i>exclusively</i> for collecting, sorting, and recycling, as well as related communication activities and administration costs of the EPR scheme.</p> <p>All costs for collection, sorting, and further recovery steps must be provided by the producers, importers, and fillers of products. The fees set by the PRO should cover all net costs for waste management of the products or packaging.</p>
8. Do you agree that moderate reduction of recycling levy should be allowed if suppliers have provided proper arrangements to recycle plastic beverage containers meeting certain environmental requirements?	<p>Strongly Agree</p> <p>EPR schemes should include criteria that improve the environmental performance of products and/or packaging. Such eco-modulation of the waste stream can entail, but is not limited to, lower EPR fees for products or packaging that are easier to reuse and recycle than others.</p>
9. Do you support imposing licensing requirement on recycling facilities for handling the waste plastics collected under the proposed PPRS?	<p>Strongly Support</p> <p>Financing and financial flows must be transparent, and institutions that are involved should be disclosed.</p>
10(a). Do you have any specific suggestion(s) on promoting eco-packaging design?	To prevent shifting from one problem to the next, the HKSAR government can work with stakeholders to set a roadmap to a circular economy for all packaging materials and eliminate

	<p>packaging materials that cannot be recycled in the Hong Kong market.</p> <p>Moreover, the government should support the production of recycled material in Hong Kong or work regionally with Greater Bay Area authorities to scale up production.</p>
<p>10(b): Do you have any other comments on the PPRS and other plastic-related issues?</p>	<p>1. Comments on the PPRS, please refer to our position paper with below key elements in mind.</p> <ul style="list-style-type: none"> • To ensure the EPR scheme is transparent and trustworthy. • To ensure the EPR scheme is inclusive and comprehensive. • To ensure the EPR scheme is flexible with the goal to transform to a circular plastic economy. <p>2. Comments on other plastic-related issues?</p> <p>Below are our suggestions management of waste plastics:²</p> <ul style="list-style-type: none"> • Establish a roadmap by 2021 to phase out all single-use plastic tableware by 2025 or earlier • Ban polystyrene tableware and drinking straws by 2022 • Regulate plastic labelling and single-use biodegradable tableware (e.g., PLA) • Set a high levy on single-use shopping bags of any material, with minimal exemptions by 2022 • Expand the plastic recycling pilot scheme to 18 districts • Join Plastic Smart Cities³ initiative and commit to a holistic action plan for No Plastic in Nature 2030

²

https://d3q9070b7kewus.cloudfront.net/downloads/ltr_to_panel_on_env_affairs_regarding_management_of_waste_plastics.pdf

³ <https://plasticsmartcities.org/>